

VZCZCXRO7969  
PP RUEHLH RUEHPW  
DE RUEHC #1218/01 1640024  
ZNR UUUUU ZZH  
P 130003Z JUN 09  
FM SECSTATE WASHDC  
TO RUEHAD/AMEMBASSY ABU DHABI PRIORITY 4330  
RUEHAK/AMEMBASSY ANKARA PRIORITY 8864  
RUEHRL/AMEMBASSY BERLIN PRIORITY 1809  
RUEHSW/AMEMBASSY BERN PRIORITY 6016  
RUEHBY/AMEMBASSY CANBERRA PRIORITY 4519  
RUEHKU/AMEMBASSY KUWAIT PRIORITY 6268  
RUEHMD/AMEMBASSY MADRID PRIORITY 1859  
RUEHFR/AMEMBASSY PARIS PRIORITY 4947  
RUEHRH/AMEMBASSY RIYADH PRIORITY 2174  
RUEHRO/AMEMBASSY ROME PRIORITY 1131  
RUEHUL/AMEMBASSY SEOUL PRIORITY 1139  
RUEHSM/AMEMBASSY STOCKHOLM PRIORITY 7541  
RUEHTC/AMEMBASSY THE HAGUE PRIORITY 5481  
RUEHKO/AMEMBASSY TOKYO PRIORITY 9387  
RUEHWL/AMEMBASSY WELLINGTON PRIORITY 0017  
INFO RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 1321  
RUEHKP/AMCONSUL KARACHI PRIORITY 7015  
RUEHLH/AMCONSUL LAHORE PRIORITY 8429  
RUEHPW/AMCONSUL PESHAWAR PRIORITY 2831  
RUEHBS/USEU BRUSSELS PRIORITY

UNCLAS SECTION 01 OF 02 STATE 061218

SENSITIVE  
SIPDIS

E.O. 12958: N/A

TAGS: [EAID](#) [EFIN](#) [PK](#)

SUBJECT: PAKISTAN: FOLLOW UP ON TOKYO DONOR CONF PLEDGES  
TO SUPPORT IMF PROGRAM

REF: A. ISLAMABAD 902

[1](#)B. STATE 55536

[1](#)1. (U) This is an action request. See paragraph 5.

[1](#)2. (SBU) Pakistan received generous pledges from donors at the April 17 Tokyo Donors' Conference, which was intended to raise funds for social safety net and development programs, and to shore up reserves. For broader donor coordination and to facilitate Pakistan's budgeting process, Department requests Posts to press host governments to provide the Government of Pakistan (GOP) with additional details on when and how they will allocate pledges committed at the Tokyo Donors' Conference.

[1](#)3. (SBU) Pakistan agreed to an International Monetary Fund (IMF) Stand-By Arrangement in November 2008. In addition to assistance under the IMF program, the IMF also identified the need for donor support to finance critical social safety net and development programs. The April 17 Tokyo Donors' Conference raised over USD 5 billion in pledges for these purposes. The GOP has emphasized the importance of the delivery of donor pledges over the upcoming fiscal year 2009/2010, which begins July 1, given the increased pressures on fiscal expenditures and on the current account deficit, and plans to loosen the 2009/2010 fiscal deficit target to accommodate additional donor assistance. The GOP will present its budget for the coming fiscal year on June 13.

[1](#)4. (SBU) Pakistan's fragile economy has been further hit by the country's increasing financial needs to address the humanitarian crisis. In light of this crisis, some countries may be tempted to double-count their Tokyo pledge and redirect funds to meet the humanitarian needs. However, additional assistance for displaced people is needed above and beyond the Tokyo pledges made for Pakistan's economic stability. Donors should disburse as much of their pledges as possible in the coming fiscal year to help ease Pakistan's financial pressures during the current humanitarian crisis.

OBJECTIVES

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¶5. (SBU) Department requests Posts to pursue the following objectives:

- Note host government pledge at the Tokyo Donors' Conference (see para 7) and express U.S. appreciation for host government's generosity;
- Highlight the importance of donor pledges for the Government of Pakistan's budget for the fiscal year 2009/2010, which begins July 1 and will be announced on June 13;
- Request host government coordinate pledges directly with the Government of Pakistan and World Bank;
- Ask for details about how the Tokyo pledge will be spent and when the funds will be disbursed;
- Note that funds for the UN appeal to assist internally displaced persons are needed above and beyond the funds pledged in Tokyo;
- Urge host government to consider frontloading assistance, if they have not done so already, to meet Pakistan's near-term challenges.

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REPORTING DEADLINE  
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¶6. (U) Embassies should report results of efforts by cable to SCA and EEB by June 22.

BACKGROUND  
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¶7. (SBU) According to U.S. records from the announcements in Tokyo, host governments pledged the following amounts over fiscal years 2009-2010:

- Australia: 120 million Aussie over three years (43.2 million USD over the next two years)
- France: 200 million Euro (264 million USD)
- Germany: 155 million USD
- Italy: 42 million Euro (59 million USD)
- Japan: 1 billion USD
- Kuwait: 49 million USD
- Netherlands: 80 million USD
- New Zealand: 580 thousand USD
- Republic of Korea: 40 million USD
- Saudi Arabia: 700 million USD
- Spain: 20 million Euro (26.4 million USD)
- Sweden: 5 million USD
- Switzerland: 50 million francs (29 million USD)
- Turkey: 100 million USD
- UAE: 300 million USD

¶8. (SBU) The U.S. plans to focus its development assistance on certain poor districts deemed most at risk for militancy; support well-integrated, multi-donor interventions; and develop local institutional capacity in order to build confidence of local populations in government responsiveness. Some funds might be set aside for modest cash transfers to the GOP, subject to assessments of adequate funds control, targeting, and likely impacts. These issues are still under discussion in Washington.

POINT OF CONTACT  
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¶9. (U) Please contact SRAP Mary Beth Goodman, SCA/P Tanya Spencer, and EEB Rachel Leatham for further information.

CLINTON